

**§ 235.331 Increased maximum mortgage amount for physically handicapped persons.**

If the mortgage relates to a dwelling unit to be occupied by a handicapped person as defined in § 235.5(c)(2), the otherwise applicable dollar amount limitation under § 235.330 may be increased in such amount as may be necessary to reflect the cost of making the dwelling unit accessible to and usable by such person, but not to exceed 10 percent of such limitation.

[49 FR 21320, May 21, 1984]

**§ 235.335 Assistance payments and handling charges.**

(a) The assistance payment on behalf of a mortgagor shall be the lesser of the following:

(1) The difference between 20 percent of the homeowner's or cooperative member's adjusted monthly income and the required monthly payment under the mortgage for principal, interest, taxes, insurance, and mortgage insurance premium.

(2)(i) With respect to mortgages approved for insurance under this part by the Secretary before January 5, 1976, the difference between the required monthly payment under the mortgage for principal, interest, and mortgage insurance premium and the monthly payment which would be required for principal and interest if the mortgage bore an interest rate of 1 percent.

(ii) With respect to mortgages approved for insurance under this part by the Secretary on or after January 5, 1976, but before March 7, 1978, the difference between the required monthly payment under the mortgage for principal, interest, and mortgage insurance premium and the monthly payment which would be required for principal and interest if the mortgage bore an interest rate of 5 percent.

(iii) With respect to mortgages approved for insurance under this part by the Secretary on or after March 7, 1978, the difference between the required monthly payment under the mortgage for principal, interest, and mortgage insurance premium and the monthly payment which would be required for principal and interest if the mortgage bore an interest rate of 4 percent.

(b) The assistance payment on behalf of a cooperative member shall be in an amount computed by using the formula prescribed in paragraph (a) of this section and applying the cooperative member's proportionate share of the obligation under the project mortgage to the items set forth in the formula.

(c) In addition to the assistance payment referred to in paragraphs (a) and (b) of this section, the mortgagee shall be entitled to the monthly payment of an amount the Secretary deems sufficient to reimburse the mortgagee for its expense in handling the mortgage.

(d) Special assessments levied by a governmental body are to be included under the term *taxes* as a part of the total monthly payment. However, ground rents, assessments of a homeowners' association, and special assessments levied by persons or private organizations are not to be included.

[41 FR 1178, Jan. 6, 1976, as amended at 44 FR 25837, May 3, 1979]

**§ 235.340 Time of payments.**

The assistance payment shall be due on the first day of each month and shall be paid upon the receipt of a billing, on a form prescribed by the Secretary, from the mortgagee or its authorized agent.

**§ 235.345 Term of assistance contract.**

(a) *Homeowners.* The term of the assistance payment contract shall begin on the date of disbursement of mortgage proceeds as shown on the commitment for insurance and shall continue until the contract is terminated pursuant to § 235.375.

(b) *Cooperative members.* The term of the assistance payment contract shall begin on the date of issuance of a certificate approving an application filed on behalf of a cooperative member and shall continue until the contract is terminated pursuant to § 235.375.

**§ 235.350 Mortgagor's required recertification.**

(a) The mortgagee shall obtain from the homeowner (or from the cooperative association on behalf of the cooperative member), on a form prescribed by the Secretary a recertification as to